

# Complying with the CFPB's Ability-to-Repay Rule and QM Standards IS AS EASY AS...

# 1

**On January 10, 2014**, the Consumer Financial Protection Bureau (CFPB) Ability-to-Repay Rule and Qualified Mortgage Standards went into effect.

These rules require lenders to verify that borrowers have the ability to repay their mortgage.

In its rule, the CFPB states **creditors must generally use reasonably reliable third-party records** to verify the information they use to evaluate the factors.

Third-party records are defined as:

- A document or other record prepared or reviewed by a person other than the consumer, the creditor, any mortgage broker, as defined in § 1026.36(a)(2), or any agent of the creditor or mortgage broker;
- A copy of a tax return filed with the Internal Revenue Service or a state taxing authority;
- A record the creditor maintains for an account of the consumer held by the creditor; or
- If the consumer is an employee of the creditor or the mortgage broker, a document or other record regarding the consumer's employment status or income.

• Source:

[http://files.consumerfinance.gov/f/201301\\_cfpb\\_final-rule\\_ability-to-repay.pdf](http://files.consumerfinance.gov/f/201301_cfpb_final-rule_ability-to-repay.pdf)

**More information on the CFPB Ability-to-Repay Rule and the QM Standards can be found at:**

[www.creditplus.com/atr](http://www.creditplus.com/atr)

# 2

# 3

**Credit Plus** offers simple solutions to compliance requirements. Contact us today to learn more.



phone: 800.258.3488

web: [creditplus.com](http://creditplus.com)

email: [info@creditplus.com](mailto:info@creditplus.com)

\*Equifax Workforce Solutions is a business unit of Equifax Inc., Atlanta, Georgia.

Credit Plus is an authorized reseller of products and services provided through Equifax.

© 2018 Credit Plus, Inc.

# Credit Plus makes compliance **EASY**

The final CFPB Ability-to-Repay Rule describes certain minimum requirements for creditors making ability-to-repay determinations, but does not dictate that they follow particular underwriting models.

**Credit Plus offers solutions** creditors need to meet the underwriting requirements:

- 1 Current or reasonably expected income or assets** – Credit Plus provides income verifications through a written VOE with year-to-date income. We also offer instant VOEs with income verification as a certified reseller of The Work Number®, a solution offered through Equifax Workforce Solutions, and the largest collection of payroll records contributed directly from employers. In addition, we verify income by obtaining 4506-T/Tax Return Verifications.
- 2 Current employment status** – Credit Plus provides a 100 percent solution with employment verifications through The Work Number® or by manually verifying.
- 3 The monthly debt-to-income ratio or residual income** – Credit Plus provides employment and income verifications through The Work Number®; and through consistent, auditable manual verifications; 4506-T/Tax Return Verifications; and Tri-Merge Credit Reports.
- 4 Credit history** – Credit Plus provides Tri-Merge Credit Reports.

**Credit Plus** offers simple solutions to compliance requirements. Contact us today to learn more.



phone: 800.258.3488  
web: [creditplus.com](http://creditplus.com)  
email: [info@creditplus.com](mailto:info@creditplus.com)

\*Equifax Workforce Solutions is a business unit of Equifax Inc., Atlanta, Georgia.  
Credit Plus is an authorized reseller of products and services provided through Equifax.